



# HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2005  
OF THE CONDITION AND AFFAIRS OF THE

## Arkansas Community Care, Inc.

NAIC Group Code 3681 (Current) (Prior) NAIC Company Code 12282 Employer's ID Number 20-2036444

Organized under the Laws of Arkansas, State of Domicile or Port of Entry Arkansas

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [ X ] No [ ]

Incorporated/Organized 01/31/2005 Commenced Business 03/21/2005

Statutory Home Office 425 West Capial Ave., Suite 1800, Little Rock, AR 72201  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 825 Washington St., Suite 300  
(Street and Number)  
Oakland, CA 94607, 510-832-0311  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 825 Washington St., Suite 300, Oakland, CA 94607  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 825 Washington St., Suite 300  
(Street and Number)  
Oakland, CA 94607, 510-832-0311  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address \_\_\_\_\_

Statutory Statement Contact Bradley Raymond Luke, 510-817-1038  
(Name) (Area Code) (Telephone Number)  
bluke@arcadianhp.com, 510-817-1039  
(E-mail Address) (FAX Number)

Policyowner Relations Contact 825 Washington St., Suite 300  
(Street and Number)  
Oakland, CA 94607, 510-832-0311  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

### OFFICERS

Chief Operating Officer John Harvey Austin CFO Kenneth Benjamin Zimmerman  
President Nancy Ellen Freeman Vice President Cheryl Yvonne Perkins

### OTHER

### DIRECTORS OR TRUSTEES

State of California SS:  
County of Alameda

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

John Harvey Austin  
CEO

Nancy Ellen Freeman  
President

Kenneth Benjamin Zimmerman  
CFO

Subscribed and sworn to before me this \_\_\_\_\_ day of November 2005

- a. Is this an original filing? ..... Yes [ X ] No [ ]  
b. If no,  
1. State the amendment number.....  
2. Date filed.....  
3. Number of pages attached.....

Janelle Kodis-Johnson

STATEMENT AS OF SEPTEMBER 30, 2005 OF THE ARKANSAS COMMUNITY CARE, INC.

**ASSETS**

	Current Statement Date			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	346,171		346,171	
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ encumbrances) .....				
5. Cash (\$ ..... 2,683,886 ), cash equivalents (\$ ..... ), and short-term investments (\$ ..... ) .....	2,683,886		2,683,886	
6. Contract loans, (including \$ ..... premium notes) .....				
7. Other invested assets .....				
8. Receivables for securities .....				
9. Aggregate write-ins for invested assets .....				
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	3,030,057		3,030,057	
11. Title plants less \$ ..... charged off (for Title insurers only) .....				
12. Investment income due and accrued .....	9,479		9,479	
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....				
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
13.3 Accrued retrospective premiums .....				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....				
14.2 Funds held by or deposited with reinsured companies .....				
14.3 Other amounts receivable under reinsurance contracts .....				
15. Amounts receivable relating to uninsured plans .....				
16.1 Current federal and foreign income tax recoverable and interest thereon .....				
16.2 Net deferred tax asset .....				
17. Guaranty funds receivable or on deposit .....				
18. Electronic data processing equipment and software .....				
19. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	44,014	44,014		
20. Net adjustment in assets and liabilities due to foreign exchange rates .....				
21. Receivables from parent, subsidiaries and affiliates .....				
22. Health care (\$ ..... ) and other amounts receivable .....				
23. Aggregate write-ins for other than invested assets .....	487	487		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	3,084,037	44,501	3,039,536	
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
26. Total (Lines 24 and 25)	3,084,037	44,501	3,039,536	
<b>DETAILS OF WRITE-INS</b>				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....				
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)				
2301. Deposits .....	487	487		
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	487	487		

## LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded) .....				
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....				
4. Aggregate health policy reserves .....				
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserve .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....				
9. General expenses due or accrued .....				
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized gains (losses)) .....				
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....				
13. Remittances and items not allocated .....				
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....	45,026		45,026	
16. Payable for securities .....				
17. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers and \$ ..... unauthorized reinsurers) .....				
18. Reinsurance in unauthorized companies .....				
19. Net adjustments in assets and liabilities due to foreign exchange rates .....				
20. Liability for amounts held under uninsured accident and health plans .....				
21. Aggregate write-ins for other liabilities (including \$ ..... current) .....				
22. Total liabilities (Lines 1 to 21) .....	45,026		45,026	
23. Aggregate write-ins for special surplus funds .....	XXX	XXX		
24. Common capital stock .....	XXX	XXX		
25. Preferred capital stock .....	XXX	XXX		
26. Gross paid in and contributed surplus .....	XXX	XXX	3,000,000	
27. Surplus notes .....	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds .....	XXX	XXX		
29. Unassigned funds (surplus) .....	XXX	XXX	(5,490)	
30. Less treasury stock, at cost:				
30.1 ..... shares common (value included in Line 24 \$ ..... ) .....	XXX	XXX		
30.2 ..... shares preferred (value included in Line 25 \$ ..... ) .....	XXX	XXX		
31. Total capital and surplus (Lines 23 to 29 minus Line 30) .....	XXX	XXX	2,994,510	
32. Total liabilities, capital and surplus (Lines 22 and 31) .....	XXX	XXX	3,039,536	
<b>DETAILS OF WRITE-INS</b>				
2101. ....				
2102. ....				
2103. ....				
2198. Summary of remaining write-ins for Line 21 from overflow page .....				
2199. Totals (Lines 2101 through 2103 plus 2198)(Line 21 above) .....				
2301. ....	XXX	XXX		
2302. ....	XXX	XXX		
2303. ....	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page .....	XXX	XXX		
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above) .....	XXX	XXX		
2801. ....	XXX	XXX		
2802. ....	XXX	XXX		
2803. ....	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page .....	XXX	XXX		
2899. Totals (Lines 2801 through 2803 plus 2898)(Line 28 above) .....	XXX	XXX		

## STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date
	1 Uncovered	2 Total	3 Total
1. Member Months .....	XXX		
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX		
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX		
5. Risk revenue .....	XXX		
6. Aggregate write-ins for other health care related revenues .....	XXX		
7. Aggregate write-ins for other non-health revenues .....	XXX		
8. Total revenues (Lines 2 to 7) .....	XXX		
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....			
10. Other professional services .....			
11. Outside referrals .....			
12. Emergency room and out-of-area .....			
13. Prescription drugs .....			
14. Aggregate write-ins for other hospital and medical .....			
15. Incentive pool, withhold adjustments and bonus amounts .....			
16. Subtotal (Lines 9 to 15) .....			
<b>Less:</b>			
17. Net reinsurance recoveries .....			
18. Total hospital and medical (Lines 16 minus 17) .....			
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ ..... cost containment expenses .....			
21. General administrative expenses .....		125	
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....			
23. Total underwriting deductions (Lines 18 through 22) .....		125	
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	( 125)	
25. Net investment income earned .....		39,136	
26. Net realized capital gains (losses) less capital gains tax of \$ .....			
27. Net investment gains (losses) (Lines 25 plus 26) .....		39,136	
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....			
29. Aggregate write-ins for other income or expenses .....			
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	39,011	
31. Federal and foreign income taxes incurred .....	XXX		
32. Net income (loss) (Lines 30 minus 31) .....	XXX	39,011	
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX		
0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above) .....	XXX		
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX		
0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above) .....	XXX		
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....			
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above) .....			
2901. ....			
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....			
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above) .....			

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year.....			
<b>GAINS AND LOSSES TO CAPITAL &amp; SURPLUS:</b>			
34. Net income or (loss) from Line 32.....	39,011		
35. Change in valuation basis of aggregate policy and claim reserves.....			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....			
37. Change in net unrealized foreign exchange capital gain or (loss).....			
38. Change in net deferred income tax.....			
39. Change in nonadmitted assets.....	(44,501)		
40. Change in unauthorized reinsurance.....			
41. Change in treasury stock.....			
42. Change in surplus notes.....			
43. Cumulative effect of changes in accounting principles.....			
44. Capital Changes:			
44.1 Paid in.....			
44.2 Transferred from surplus (Stock Dividend).....			
44.3 Transferred to surplus.....			
45. Surplus adjustments:			
45.1 Paid in.....	3,000,000		
45.2 Transferred to capital (Stock Dividend).....			
45.3 Transferred from capital.....			
46. Dividends to stockholders.....			
47. Aggregate write-ins for gains or (losses) in surplus.....			
48. Net change in capital & surplus (Lines 34 to 47).....	2,994,510		
49. Capital and surplus end of reporting period (Line 33 plus 48)	2,994,510		
<b>DETAILS OF WRITE-INS</b>			
4701. ....			
4702. ....			
4703. ....			
4798. Summary of remaining write-ins for Line 47 from overflow page.....			
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)			

## CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....		
2. Net investment income .....	31,080	
3. Miscellaneous income .....		
4. Total (Lines 1 to 3) .....	31,080	
5. Benefit and loss related payments .....		
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	125	
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) \$ ..... net of tax on capital gains (losses) .....		
10. Total (Lines 5 through 9) .....	125	
11. Net cash from operations (Line 4 minus Line 10) .....	30,955	
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....		
12.2 Stocks .....		
12.3 Mortgage loans .....		
12.4 Real estate .....		
12.5 Other invested assets .....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7 Miscellaneous proceeds .....		
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....		
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	347,594	
13.2 Stocks .....		
13.3 Mortgage loans .....		
13.4 Real estate .....		
13.5 Other invested assets .....		
13.6 Miscellaneous applications .....		
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	347,594	
14. Net increase (or decrease) in contract loans and premium notes .....		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(347,594)	
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....		
16.2 Capital and paid in surplus, less treasury stock .....	3,000,000	
16.3 Borrowed funds .....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5 Dividends to stockholders .....		
16.6 Other cash provided (applied) .....	525	
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	3,000,525	
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	2,683,886	
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....		
19.2 End of period (Line 18 plus Line 19.1) .....	2,683,886	

Note: Supplemental disclosures of cash flow information for non-cash transactions:

.....		
.....		
.....		
.....		

Exhibit of Premiums, Enrollment and Utilization

**N O N E**

Claims Payable - Aging Analysis of Unpaid Claims

**N O N E**

Underwriting and Investment Exhibit

**N O N E**

1. **Summary of Significant Accounting Policies**

The quarterly statement has been completed in accordance with the NAIC *Accounting Practices and Procedures* manual.

2. **Accounting Changes and Correction of Errors**

There have been no accounting changes or correction of errors to prior period statements.

3. **Business Combinations and Goodwill**

Not Applicable

4. **Discontinued Operations**

Not Applicable

5. **Investments**

As of September 30, 2005, the company did not have any mortgage loans, restructured loans, reverse mortgages, loan-backed securities, or repurchase agreements as investments.

6. **Joint Ventures, Partnerships and Limited Liability Companies**

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

7. **Investment Income**

For the quarter ending September 30, 2005 reported investment income earned was \$39,136. Investment income due or accrued as of September 30, 2005 was \$9,479.

8. **Derivative Instruments**

Not Applicable

9. **Income Taxes**

Not Applicable

10. **Information Concerning Parent, Subsidiaries and Affiliates**

Arkansas Community Care, Inc is wholly owned subsidiary of Arcadian Health Plan, Inc. (AHP). Arkansas Community Care, Inc. was granted a certificate of Authority by the Arkansas Insurance Commissioner on March 21, 2005.

Arkansas Community Care, Inc. is expected to begin operations in early 2006.

An intercompany payable due to Arcadian Health Plan, Inc. was created as a result of the purchase of fixed assets by Arkansas Community Care for an office in Little Rock and Fayetteville.

11. **Debt**

The Company has no outstanding debt as of 9/30/05.

12. **Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

Not Applicable

13. **Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

The Company has 10 shares authorized and 3 shares issued and outstanding of \$0.01 par value common stock as of 9/30/05. The Company has no preferred stock authorized.

14. **Contingencies**

None as of 9/30/05.

15. **Leases**

The Company entered into two office leases which expire on August 31, 2008. Lease payments by Arkansas Community Care, Inc. begin January 1, 2006

As of January 1, 2006 the Company will have the following aggregate rental commitments:

2006	57,785
2007	58,780
2008	39,870

16. **Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk**  
Not Applicable
17. **Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**  
Not Applicable
18. **Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**  
Not Applicable
19. **Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**  
Not Applicable
20. **September 11 Events\**  
Not Applicable
21. **Other Items**  
Not Applicable
22. **Events Subsequent**  
Not Applicable
23. **Reinsurance**  
Not Applicable
24. **Retrospectively Rated Contracts & Contracts Subject to Redetermination**  
Not Applicable
25. **Change in Incurred Claims and Claim Adjustment Expenses**  
Not Applicable
26. **Intercompany Pooling Arrangements**

Not Applicable

27. **Structured Settlements**

Not Applicable

28. **Health Care Receivables**

Not Applicable

29. **Participating Policies**

Not Applicable

30. **Premium Deficiency Reserves**

Not Applicable

31. **Anticipated Salvage and Subrogation**

Not Applicable

## GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

### PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity implement any significant accounting policy changes that would require disclosure in the Notes to the Financial Statements? ..... Yes [ ] No [ X ]
- 1.2 If yes, explain:
- 2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [ X ]
- 2.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]
- 3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [ X ]
- 3.2 If yes, date of change: .....  
If not previously filed, furnish herewith a certified copy of the instrument as amended.
4. Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [ X ]  
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [ X ] N/A [ ]  
If yes, attach an explanation.
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ....
- 7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....
- 7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....
- 7.4 By what department or departments?
- 8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) ..... Yes [ ] No [ X ]
- 8.2 If yes, give full information:
- 9.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]
- 9.2 If response to 9.1 is yes, please identify the name of the bank holding company.
- 9.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [ X ]
- 9.4 If response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

# GENERAL INTERROGATORIES

## FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [ ] No [ X ]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... \$ .....

## INVESTMENT

- 11.1 Has there been any change in the reporting entity's own preferred or common stock? ..... Yes [ ] No [ X ]
- 11.2 If yes, explain:
- 12.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes [ ] No [ X ]
- 12.2 If yes, give full and complete information relating thereto:
13. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... \$ .....
14. Amount of real estate and mortgages held in short-term investments: ..... \$ .....
- 15.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes [ ] No [ X ]
- 15.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Statement Value
15.21 Bonds .....	\$ .....	\$ .....
15.22 Preferred Stock .....	\$ .....	\$ .....
15.23 Common Stock .....	\$ .....	\$ .....
15.24 Short-Term Investments .....	\$ .....	\$ .....
15.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
15.26 All Other .....	\$ .....	\$ .....
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26) .....	\$ .....	\$ .....
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above .....	\$ .....	\$ .....

- 16.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes [ ] No [ X ]
- 16.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ X ]  
If no, attach a description with this statement.
17. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? ..... Yes [ X ] No [ ]
- 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Metropolitan National Bank .....	P.O. Box 8010 Little Rock AR 72203 .....

- 17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....	.....	.....
.....	.....	.....

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? ..... Yes [ ] No [ X ]
- 17.4 If yes, give full information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....	.....	.....	.....
.....	.....	.....	.....

- 17.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
.....	.....	.....
.....	.....	.....

- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? ..... Yes [ X ] No [ ]
- 18.2 If no, list exceptions:

**SCHEDULE A - VERIFICATION**

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Increase (decrease) by adjustment .....		
3. Cost of acquired .....		
4. Cost of additions to and permanent improvements .....		
5. Total profit (loss) on sales .....		
6. Increase (decrease) by foreign exchange adjustment .....		
7. Amount received on sales .....		
8. Book/adjusted carrying value at end of current period .....		
9. Total valuation allowance .....		
10. Subtotal (Lines 8 plus 9) .....		
11. Total nonadmitted amounts .....		
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)		

NONE

**SCHEDULE B - VERIFICATION**

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year .....		
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions .....		
2.2. Additional investment made after acquisitions .....		
3. Accrual of discount and mortgage interest points and commitment fees .....		
4. Increase (decrease) by adjustment .....		
5. Total profit (loss) on sale .....		
6. Amounts paid on account or in full during the period .....		
7. Amortization of premium .....		
8. Increase (decrease) by foreign exchange adjustment .....		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period .....		
10. Total valuation allowance .....		
11. Subtotal (Lines 9 plus 10) .....		
12. Total nonadmitted amounts .....		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)		

NONE

**SCHEDULE BA - VERIFICATION**

Other Invested Assets Included in Schedule BA

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year .....		
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions .....		
2.2. Additional investment made after acquisitions .....		
3. Accrual of discount .....		
4. Increase (decrease) by adjustment .....		
5. Total profit (loss) on sale .....		
6. Amounts paid on account or in full during the period .....		
7. Amortization of premium .....		
8. Increase (decrease) by foreign exchange adjustment .....		
9. Book/adjusted carrying value of long-term invested assets at end of current period .....		
10. Total valuation allowance .....		
11. Subtotal (Lines 9 plus 10) .....		
12. Total nonadmitted amounts .....		
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)		

NONE

**SCHEDULE D - VERIFICATION**

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....		
2. Cost of bonds and stocks acquired .....	347,594	
3. Accrual of discount .....	(1,423)	
4. Increase (decrease) by adjustment .....		
5. Increase (decrease) by foreign exchange adjustment .....		
6. Total profit (loss) on disposal .....		
7. Consideration for bonds and stocks disposed of .....		
8. Amortization of premium .....		
9. Book value/adjusted carrying value, current period .....	346,171	
10. Total valuation allowance .....		
11. Subtotal (Lines 9 plus 10) .....	346,171	
12. Total nonadmitted amounts .....		
13. Statement value .....	346,171	

STATEMENT AS OF SEPTEMBER 30, 2005 OF THE ARKANSAS COMMUNITY CARE, INC.

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 .....	348,471			(2,300)	347,593	348,471	346,171	
2. Class 2 .....								
3. Class 3 .....								
4. Class 4 .....								
5. Class 5 .....								
6. Class 6 .....								
7. Total Bonds	348,471			(2,300)	347,593	348,471	346,171	
PREFERRED STOCK								
8. Class 1 .....								
9. Class 2 .....								
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	348,471			(2,300)	347,593	348,471	346,171	

Schedule DA - Part 1 - Short-Term Investments Owned Current Period

**N O N E**

Schedule DA - Part 2 - Verification Short-Term Investments Owned

**N O N E**

Schedule DB - Part F - Section 1

**N O N E**

Schedule DB - Part F - Section 2

**N O N E**

Schedule S - Ceded Reinsurance

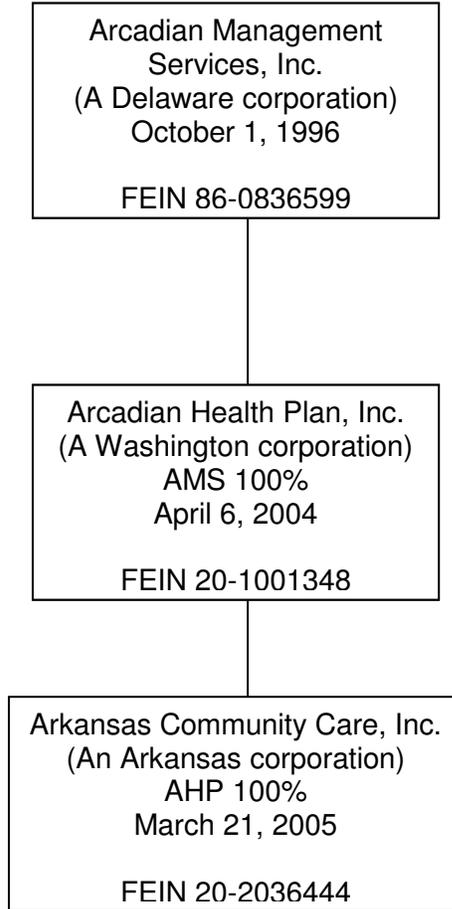
**N O N E**

Schedule T - Premiums and Other Considerations

**N O N E**

SCHEDULE Y- INFORMATION CONCERNING ACTIVITIES OF MEMBERS OF A  
HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



Overflow Page for Write-ins

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 1

**NONE**

Schedule B - Part 2

**NONE**

Schedule BA - Part 1

**NONE**

Schedule BA - Part 2

**NONE**

Schedule D - Part 3

**NONE**

Schedule D - Part 4

**NONE**

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**



**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due and Accrued	9 Gross Investment Income
<b>NONE</b>								
0199999 - Total Cash Equivalents								

E09